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FM AMEMBASSY CAIRO
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C O N F I D E N T I A L CAIRO 006936

SIPDIS

NOTE BY CIB: DO PROCESS AS IS PER EAO MATTHEW SANDERLAND.

SIPDIS

NSC FOR WATERS

E.O. 12958: DECL: 11/21/2016
TAGS: [PREL](#) [PGOV](#) [PTER](#) [MEPN](#) [EFIN](#) [ECON](#) [KPAL](#) [EG](#) [IS](#)
SUBJECT: CASH TO HAMAS CROSSES RAFAH BORDER

REF: A. CAIRO 6910 (NOTAL/EXDIS)
[1](#)B. 11/20/06 SCHEDELBAUER-HEGADORN E-MAIL

CLASSIFIED BY AMBASSADOR FRANCIS RICCIARDONE FOR REASONS 1.4
(B) AND (D).

[1](#)1. (C) LOCAL SOURCES TOLD EMBOFFS ON NOVEMBER 20 THAT TWO HAMAS MINISTERS HAD SUCCESSFULLY TRANSPORTED OVER FOUR MILLION DOLLARS INTO THE GAZA STRIP VIA EGYPT'S RAFAH CROSSING DURING THE PREVIOUS WEEK, DESPITE SENIOR-LEVEL GOE ASSERTIONS TO THE CONTRARY (REF A). EGYPTIAN INTELLIGENCE CHIEF OMAR SOLIMAN TOLD NEA ASSISTANT SECRETARY WELCH ON NOVEMBER 15 THAT THE MONEY HAD BEEN CONFISCATED AT THE BORDER BY GOE OFFICIALS AND DEPOSITED INTO AN EGYPTIAN BANK ACCOUNT. IN A SOMEWHAT DIFFERENT ACCOUNT, MINISTER OF FINANCE, YOUSEF BOUTROS GHALI, TOLD THE AMBASSADOR ON NOVEMBER 19 THAT THE FUNDS WERE TEMPORARILY CONFISCATED BY GOE CUSTOMS, BUT LATER RELEASED BACK TO ONE OF THE HAMAS OFFICIALS; HOWEVER, THAT OFFICIAL HAD "DISAPPEARED" BACK INTO EGYPT WITH THE CASH.

[1](#)2. (C) SEEKING ADDITIONAL DETAILS, EMBOFFS SPOKE WITH THE SENIOR EGYPTIAN DEPARTMENT OF MILITARY INTELLIGENCE OFFICIAL AT THE RAFAH BORDER, COLONEL ASHRAF EL EWENY (PROTECT), WHO CONFIRMED PRESS REPORTS THAT TWO HAMAS MINISTERS HAD HAND CARRIED 4.3 USD MILLION DOLLARS INTO GAZA VIA RAFAH ON NOVEMBER 15. SIMILARLY, EMBOFF SPOKE BY PHONE WITH AN EU-BAM MONITOR ON NOVEMBER 20, WHO SAID THAT EUROPEAN MONITORS AT THE PALESTINIAN RAFAH TERMINAL HAD WITNESSED THE PHYSICAL TRANSFER OF FUNDS INTO GAZA BY THE TWO HAMAS MINISTERS - MUSHIR AL MASRI AND AHMED ATTIYA BAHR - (REF B). ACTING DCM ALSO RAISED THE ISSUE ON NOVEMBER 20 WITH MFA ASSISTANT MINISTER FOR ARAB AFFAIRS HANI KHALLAF, WHO DENIED ANY KNOWLEDGE OF THE MONEY TRANSFER ISSUE.

[1](#)3. (C) LATE ON NOVEMBER 20, THE AMBASSADOR TOLD MINFIN BOUTROS GHALI THAT WE HAD CONFIRMED THE TRANSIT OF THE MONEY AND THE HAMAS COURIERS WITH THE EU-BAM. BOUTROS GHALI SAID HE WOULD INVESTIGATE.

[1](#)4. (C) ON NOVEMBER 21, THE HEAD OF EGYPTIAN CUSTOMS AT RAFAH BORDER TOLD VISITING POLOFF THAT THE TWO HAMAS MINISTERS WERE ALLOWED TO TRANSIT THE BORDER WITH USD FOUR MILLION BECAUSE THEY HAD AN "OFFICIAL PERMIT" (NFI) TO DO SO. IT IS UNCLEAR WHO ISSUED THE PERMIT.
RICCIARDONE